

ANNUAL REPORT

Of

Company Name: **Arroyo Water Company, Inc.**

PO Box 3077

Mailing Address: Payson AZ
85541

**RECEIVED
BY EMAIL**

5/10/2022, 10:18 AM

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

Docket No.: W-04286A

For the Year Ended: **12/31/21**

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: **Original Filing**

Application Date: **4/12/2022**

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Arroyo Water Company, Inc.
A Class Utility

For the Calendar Year Ended: 12/31/21

Primary Address: 302 W. WILLIS STREET, SUITE 203
City: PRESCOTT State: Arizona Zip Code: 86301

Telephone Number: 928-445-0551

Date of Original Organization of Utility: 1/1/1989

Person to whom correspondence should be addressed concerning this report:

Name: CHERYL IBBOTSON
Telephone No. : 928-445-5606
Address: 302 W. WILLIS STREET, SUITE 203
City: PRESCOTT State: Arizona Zip Code: 86301
Email: cherylbbotson@gmail.com

Owner
Name: MICHAEL ARMSTEAD
Telephone No. : 928-951-4000
Address: 211 SADDLE LANE
City: PAYSON State: Arizona Zip Code: 85541
Email: ymcpayson@msn.com

On-Site Manager
Name: DEAN SHAFFER
Telephone No. : 928-978-2286
Address: 605 W. ARABIAN WAY
City: PAYSON State: Arizona Zip Code: 85541
Email: 2swmllc@gmail.com

NA
Name: _____
Telephone No. : _____
Address: _____
City: _____ State: Arizona Zip Code: _____
Email: _____

NA
Name: _____
Telephone No. : _____
Address: _____
City: _____ State: Arizona Zip Code: _____
Email: _____

Ownership: "S" Corporation

Counties Served: Gila

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Arroyo Water Company, Inc.

Important changes during the year

N/A	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
If yes, please provide specific details in the box below.	
n/a	

N/A	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
If yes, please provide specific details in the box below.	
na/	

Arroyo Water Company, Inc.
Annual Report
Utility Plant in Service (Water)
12/31/21

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
		\$40,000	\$0	\$0	\$40,000	\$39,000	\$1,000
301	Organization		\$0	\$0	0	0	0
302	Franchises	0	\$0	\$0	0	0	0
303	Land and Land Rights	0	\$0	\$0	0	0	0
304	Structures and Improvements	9,600	\$0	\$0	9,600	9,600	0
305	Collecting & Improving Reservoirs	0	\$0	\$0	0	0	0
306	Lake, River, Canal Intakes	0	\$0	\$0	0	0	0
307	Wells and Springs	10,000	\$0	\$0	10,000	10,000	0
308	Infiltration Galleries	0	\$0	\$0	0	0	0
309	Supply Mains	0	\$0	\$0	0	0	0
310	Power Generation Equipment	10,000	\$0	\$0	10,000	8,900	1,100
311	Pumping Equipment	39,500	\$0	\$0	39,500	30,263	9,237
320	Water Treatment Equipment	0	\$0	\$0	0	0	0
320.1	Water Treatment Plants	0	\$0	\$0	0	0	0
320.2	Solution Chemical Feeders	0	\$0	\$0	0	0	0
320.3	Point-of-Use Treatment Devices	0	\$0	\$0	0	0	0
330	Distribution Reservoirs and Standpipes	0	\$0	\$0	0	0	0
330.1	Storage Tanks	12,000	\$0	\$0	12,000	12,000	0
330.2	Pressure Tanks	3,000	\$0	\$0	3,000	3,000	0
331	Transmission and Distribution Mains	464,224	\$0	\$0	464,224	334,239	129,985
333	Services	65,000	\$15,397	\$0	80,397	67,347	13,050
334	Meters and Meter Installations	19,500	\$3,635	\$0	23,135	19,652	3,483
335	Hydrants	0	\$0	\$0	0	0	0
336	Backflow Prevention Devices	3,000	\$0	\$0	3,000	2,601	399
339	Other Plant and Misc. Equipment	1,550	\$0	\$0	1,550	1,550	0
340	Office Furniture and Equipment	1,500	\$0	\$0	1,500	1,500	0
340.1	Computer & Software	2,000	\$0	\$0	2,000	799	1,201
341	Transportation Equipment	0	\$0	\$0	0	0	0
342	Stores Equipment	0	\$0	\$0	0	0	0
343	Tools, Shop and Garage Equipment	8,000	\$0	\$0	8,000	8,000	0
344	Laboratory Equipment	0	\$0	\$0	0	0	0
345	Power Operated Equipment	0	\$0	\$0	0	0	0
346	Communication Equipment	0	\$0	\$0	0	0	0
347	Miscellaneous Equipment	0	\$0	\$0	0	0	0
348	Other Tangible Plant	0	\$0	\$0	0	0	0
	Totals	\$688,874	\$19,032	\$0	\$707,906	\$548,451	\$159,455

Arroyo Water Company, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/21

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
		\$40,000	\$0	\$0	\$40,000	\$0	\$40,000	0.00%	\$6,000
301	Organization								
302	Franchises	0	0	0	0	\$0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	\$0	0	0.00%	0
304	Structures and Improvements	9,600	0	0	9,600	\$0	9,600	3.33%	78
305	Collecting & Improving Reservoirs	0	0	0	0	\$0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	\$0	0	0.00%	0
307	Wells and Springs	10,000	0	0	10,000	\$0	10,000	3.33%	0
308	Infiltration Galleries	0	0	0	0	\$0	0	0.00%	0
309	Supply Mains	0	0	0	0	\$0	0	0.00%	0
310	Power Generation Equipment	10,000	0	0	10,000	\$0	10,000	5.00%	500
311	Pumping Equipment	39,500	0	0	39,500	\$0	39,500	3.33%	0
320	Water Treatment Equipment	0	0	0	0	\$0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	\$0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	\$0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	\$0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	\$0	0	0.00%	0
330.1	Storage Tanks	12,000	0	0	12,000	\$0	12,000	2.22%	0
330.2	Pressure Tanks	3,000	0	0	3,000	\$0	3,000	5.00%	0
331	Transmission and Distribution Mains	464,224	0	0	464,224	\$0	464,224	2.00%	9,284
333	Services	65,000	15,397	0	80,397	\$0	80,397	3.33%	2,347
334	Meters and Meter Installations	19,500	3,635	0	23,135	\$0	23,135	8.33%	152
335	Hydrants	0	0	0	0	\$0	0	0.00%	0
336	Backflow Prevention Devices	3,000	0	0	3,000	\$0	3,000	6.67%	200
339	Other Plant and Misc. Equipment	1,550	0	0	1,550	\$0	1,550	6.67%	0
340	Office Furniture and Equipment	1,500	0	0	1,500	\$0	1,500	6.67%	0
340.1	Computer & Software	2,000	0	0	2,000	\$0	2,000	20.00%	200
341	Transportation Equipment	0	0	0	0	\$0	0	0.00%	0
342	Stores Equipment	0	0	0	0	\$0	0	0.00%	0
343	Tools, Shop and Garage Equipment	8,000	0	0	8,000	\$0	8,000	5.00%	0
344	Laboratory Equipment	0	0	0	0	\$0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	\$0	0	0.00%	0
346	Communication Equipment	0	0	0	0	\$0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	\$0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	\$0	0	0.00%	0
	Subtotal	\$688,874	\$19,032	\$0	\$707,906	\$0	\$707,906		\$18,761

Contribution(s) in Aid of Construction (Gross) \$0
Less: Non Amortizable Contribution(s) 0
Fully Amortized Contribution(s) 0
Amortizable Contribution(s) \$0
Times: Proposed Amortization Rate 2.65%
Amortization of CIAC \$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE \$18,761

Arroyo Water Company, Inc.
 Annual Report
 Balance Sheet Assets
 12/31/21

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets			
131	Cash		\$3,764	\$4,284
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		12,665	7,669
146	Notes Receivable from Associated Companies		1,300	7,300
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$17,729	\$19,253
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$689,526	\$707,906
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(505,981)	(548,451)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$183,545	\$159,455
	Total Assets		\$201,274	\$178,708

*Note these items feed automatically from AR3 UPIS Page 4

Arroyo Water Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current Liabilities			
231	Accounts Payable		\$35,098	\$25,177
232	Notes Payable (Current Portion)		0	
234	Notes Payable to Associated Companies		2,560	10,949
235	Customer Deposits		0	3,170
236	Accrued Taxes		32,580	27,985
237	Accrued Interest		0	
242	Miscellaneous Current and Accrued Liabilities		0	
	Total Current Liabilities		\$70,238	\$67,281
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$18,167
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	
252	Advances in Aid of Construction		6,826	16,492
255	Accumulated Deferred Investment Tax Credits		0	
271	Contributions in Aid of Construction		0	
272	Less: Amortization of Contributions		0	
281	Accumulated Deferred Income Tax		0	
	Total Deferred Credits		\$6,826	\$16,492
	Total Liabilities		\$77,064	\$101,940
	Capital Accounts			
201	Common Stock Issued		\$0	
211	Other Paid-In Capital		0	
215	Retained Earnings		124,210	76,768
218	Proprietary Capital (Sole Props and Partnerships)		0	
	Total Capital		\$124,210	\$76,768
	Total Liabilities and Capital		\$201,274	\$178,708

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Arroyo Water Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/21

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2021 - 12/31/2021	Last Year 01/01/2020 - 12/31/2020
	Operating Revenue		
461	Metered Water Revenue	\$94,004	\$91,722
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	2,304	2,047
	Total Revenues	\$96,307	\$93,769
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	4,264	2,958
618	Chemicals		
620	Materials and Supplies		
620.1	Repairs and Maintenance	2,922	2,412
620.2	Office Supplies and Expense	3,361	2,286
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	7,597	7,096
633	Contractual Services - Legal	1,815	200
634	Contractual Services - Management Fees	34,900	30,000
635	Contractual Services - Water Testing	800	800
636	Contractual Services - Other	6,703	5,479
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment	1,063	
650	Transportation Expenses	3,720	4,388
657	Insurance - General Liability	1,649	1,779
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	709	131
403	Depreciation Expense (From Schedule AR4)	18,761	14,790
408	Taxes Other Than Income		
408.11	Property Taxes	2,700	2,092
409	Income Taxes		
427.1	Customer Security Deposit Interest	23	25
	Total Operating Expenses	\$90,986	\$74,436
	Operating Income / (Loss)	\$5,322	\$19,333
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income	61	63
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(19)	(1)
	Total Other Income / (Expense)	\$42	\$62
	Net Income / (Loss)	\$5,363	\$19,395

Arroyo Water Company, Inc.
 Annual Report
 Full time equivalent employees
 12/31/21

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			1.0	1.0
Engineering Staff				0.0
System Operator(s)			1.0	1.0
Meter reader			1.0	1.0
Customer Service			1.0	1.0
Accounting			1.0	1.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	5.0	5.0

Arroyo Water Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/21

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	n/a	n/a	n/a	n/a
Source of Loan	n/a	n/a	n/a	n/a
ACC Decision No.	n/a	n/a	n/a	n/a
Reason for Loan	n/a	n/a	n/a	n/a
Dollar Amt. Issued	n/a	n/a	n/a	n/a
Amount Outstanding	n/a	n/a	n/a	n/a
Date of Maturity	n/a	n/a	n/a	n/a
Interest Rate	n/a	n/a	n/a	n/a
Current Year Interest	n/a	n/a	n/a	n/a
Current Year Principal	n/a	n/a	n/a	n/a

Meter Deposit Balance at Test Year End:	\$16,492
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Meter Deposits Refunded During the Test Year:	\$720
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Water Utility Plant Description (Continued)
--

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	N/A
-----------------------------	-----

STRUCTURES:	CHAIN LINK FENCE AROUND WELL SITE
--------------------	-----------------------------------

OTHER:	OPERATION COMPANY SUPPLIES EQUIPMENT AND MATERIALS SUCH AS BACKHOE, TRENCHERS, GENERATORS, ECT
---------------	--

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC

276

 Method used:

(a)

Customer and Other Information	
Name of the System:	ARROYO WATER CO INC
ADEQ Public Water System Number:	AZ0404083
ADWR PCC Number:	91-000151.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	154	0	0	0	0
February	154	0	0	0	0
March	155	0	0	0	0
April	155	0	0	0	0
May	152	0	0	0	0
June	159	0	0	0	0
July	155	0	0	0	0
August	153	0	0	0	0
September	154	0	0	0	0
October	158	0	0	0	0
November	157	0	0	0	0
December	162	0	0	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement?
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

* an ERC is based on the calculation on the bottom of AR9 page 12.

Arroyo Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	ARROYO WATER CO INC
ADEQ Public Water System Number:	AZ0404083
ADWR PCC Number:	91-000151.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	4	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	4	0

Other (description):

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Arroyo Water Company, Inc.
Annual Report
Property Taxes
12/31/21

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2021 was	\$4,747

If no property taxes paid, explain why.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Sworn Statement (Taxes)

Verification: State of Arizona I, the undersigned of the
(state name)

County of (county name): YAVAPAI
Name (owner or official) title: MICHAEL ARMSTEAD
Company name: Arroyo Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/21

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

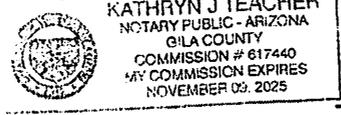
Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE NOT CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Michael Armstead
signature of owner/official

928-951-4000
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Gila
THIS 14th DAY OF April, 2022
(month) and (year)

MY COMMISSION EXPIRES 11-9-2025
(date)

Kathryn J Teacher
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)

County of (county name):

YAVAPAI

Name (owner or official) title:

MICHAEL ARMSTEAD

Company name:

Arroyo Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/21

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$108,830

(The amount in the box above includes

\$6,254

in sales taxes

billed or collected)

Michael Armstead
signature of owner/official

928-951-4000

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

14th

DAY OF

Gila
(county name)

April, 2022
(month) and (year)

MY COMMISSION EXPIRES

11-9-2025
(date)



KATHRYN J TEACHER
NOTARY PUBLIC - ARIZONA
GILA COUNTY
COMMISSION # 617440
MY COMMISSION EXPIRES
NOVEMBER 03, 2025

Kathryn J Teacher
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

State of Arizona, the undersigned of the
(state name)

County of (county name):

YAVAPAI

Name (owner or official) title:

MICHAEL ARMSTEAD

Company name:

Arroyo Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/21

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$108,830

(The amount in the box above includes

\$6,254

in sales taxes billed or collected)

Michael Armstead

signature of owner/official

928-951-4000

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Gila
(county name)

THIS

14th

DAY OF

April, 2022
(month) and (year)

MY COMMISSION EXPIRES

11-9-2025
(date)



KATHRYN J TEACHER
NOTARY PUBLIC - ARIZONA
GILA COUNTY
COMMISSION # 617440
MY COMMISSION EXPIRES
NOVEMBER 09, 2025

Kathryn J Teacher

(signature of notary public)

Arroyo Water Company, Inc.
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/21

Full Gross-up Method for Income Tax Statement of Certification

Verification:

State of Arizona, the undersigned of the
(state name)

County of (county name):

YAVAPAI

Name (owner or official) title:

MICHAEL ARMSTEAD

Company name:

Arroyo Water Company, Inc.

FOR THE YEAR ENDING: 12/31/21

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS INCURRED OR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

Michael Armstead

signature of owner/official

928-951-4000

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Gila
(county name)

THIS

14th

DAY OF

April 2022
(month) and (year)

MY COMMISSION EXPIRES

11-9-2025
(date)



KATHRYN J TEACHER
NOTARY PUBLIC - ARIZONA
GILA COUNTY
COMMISSION # 617440
MY COMMISSION EXPIRES
NOVEMBER 09, 2025

Kathryn J Teacher
(signature of notary public)